



# State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES  
OFFICE OF THE COMMISSIONER  
25 Capitol Street – Room 120  
Concord, New Hampshire 03301

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LINDA M. HODGDON  
Commissioner  
(603) 271-3201

JOSEPH B. BOUCHARD  
Assistant Commissioner  
(603) 271-3204

February 5, 2013

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

### REQUESTED ACTION

Authorize the Department of Administrative Services, Bureau of Public Works Design and Construction to increase its fleet by purchasing one (1) used vehicle for a not to exceed cost of \$7,600. This will increase the authorized total fleet from 28 to 29 vehicles and reduce the Bureau's lease of state-owned equipment and in-state travel costs, effective upon Governor and Council Approval. **71.59% General Funds, 28.41% Agency Fees.**

Funding is available in account titled Bureau of Public Works as follows:

01-14-14-141510-20910000	<u>SFY13</u>
030-500320-Motor Vehicles Used	<u>\$7,600</u>
<b>Grand Total</b>	<b>\$7,600</b>

### EXPLANATION

Pursuant to Chapter 241: II (a), Laws of 2010 the New Hampshire Department of Administrative Services, Bureau of Public Works Design and Construction plans to reduce its long-term lease of state-owned equipment and in-state travel costs by purchasing one (1) used vehicle which will be assigned to a Clerk of the Works position.

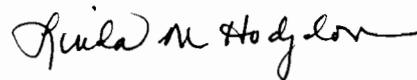
The Bureau of Public Works Design and Construction has the responsibility to assign vehicles to Clerks of the Works, as the positions require extensive travel throughout the State of New Hampshire to observe and document compliance with contract documents at construction sites for capital improvement, Stimulus and maintenance projects.

This phase of travel cost reduction includes purchasing one used vehicle for a not to exceed cost of \$7,600. The Bureau will assign the purchased vehicle to a clerk that currently uses a leased vehicle from the Department of Transportation at a rate of approximately \$0.49 per mile in FY12. Funding is available in FY13 to purchase one vehicle; the Bureau will terminate the lease from DOT and will replace it with a Bureau owned vehicle.

Based on fiscal year 2012 leased vehicle usage, the Bureau incurred annual travel costs for this clerk of \$10,652. The expectation is that travel will increase with the start of the spring and summer construction season. By increasing the Bureau's fleet by the one used vehicle, the projected annual travel costs for this clerk would be reduced by \$3,507 per year, using the statewide average cost per FY 12 Break Even Mileage computation of \$0.33 per mile. The potential for greater savings is likely due to the fact that the Bureau expects to acquire the vehicle at half of the statewide purchase price as reported in the FY 12 Break Even Mileage computation is estimated.

The anticipated return on investment for this vehicle is two years. Further, the State would realize additional cost avoidance, as the life of the vehicles extends beyond the initial investment period.

Respectfully submitted,



Linda Hodgdon  
Commissioner

cc: Mark Nogueira, BPW Administrator  
Michael Connor, Director

STATE OF NEW HAMPSHIRE  
Inter-Department Communication

DATE: January 29, 2013

FROM: Linda M. Hodgdon  
Commissioner

AT (Office):  
Administrative Services  
Budget Office  
State House Annex - Rm. 120

SUBJECT: Waiver to Executive Order 2008-1

TO: Joseph Bouchard  
Assistant Commissioner  
Department of Administrative Services

Your departments' request for a waiver from HB2, Section 206 to purchase the following equipment was approved on January 28, 2013 by the Waiver Committee. Please attach a copy of this approval to your purchase order or requisition submitted to the Division of Purchase and Property also to any payment voucher related to the approved equipment. If you have any questions please call your Business Supervisor.

<u>EQUIPMENT DESCRIPTION</u>	<u>ACCT.</u> <u>UNIT</u>	<u>AMOUNT</u>	<u>GENERAL FUND</u> <u>AMOUNT</u>	<u>GENERAL FUND</u> <u>%</u>
1-Used vehicle via bid or State/Federal Surplus	2091	\$7,600.00	\$5,440.00	71.59%

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